



**Legislative Department
Seattle City Council**

January 13, 2015

TO: Transportation Committee

FM: Meg Moorehead, Council Central Staff

RE: Free-Floating Car-Share Ordinance (C.B. 118270)

EXECUTIVE PROPOSAL

The Seattle Department of Transportation (SDOT) has proposed legislation to expand free-floating car-sharing service in Seattle. The service is called “free-floating” because the cars have no home base and are parked on-street at the end of each trip. Car2go, the only free-floating car-share company operating in Seattle, has all 500 of the City’s free-floating car permits. Car2go would like to expand and at least two other companies (Zipcar and DriveNow) are interested in starting free-floating service in Seattle. The proposed legislation:

- expands the number of companies authorized to operate in the City from one to four;
- allows each company 500 permits in 2015, with an additional 250 available when a company complies with a requirement to serve the entire city within 2 years of its first permit;
- increases the yearly fee per vehicle from \$1,330 to \$1,730;
- maintains the current requirement that permit holders pay the actual cost of paid parking through the combination of an up-front fee and year-end true-up; and
- authorizes the SDOT director to set the number of free-floating car-share companies and permits in 2016 and beyond without Council approval.

**EXISTING AND PROPOSED PROGRAM COMPARED
TO CITY GOALS AND CONCERNS**

The City considered potential benefits and downsides of free-floating car-sharing operations when approving the permitting system in 2012. Expected benefits included a reduction in vehicles owned by individuals, resulting in reduced

car2go facts (as of Sept. 2014)

40,000	Members in the region
330	Initial number of car2go cars in Seattle in January 2013
500	Number of car2go cars in Seattle since August 2013
6	Average trips/car/day
68	Average minutes a car2go car occupies a paid parking space
7/10ths	Of one percent of Seattle paid parking occupied by car2go vehicles in 2013
2.5	Average hours a car2go car occupies a space in a Restricted Parking Zone

congestion, fewer vehicle miles traveled, and increased use of alternative transportation. Concerns included reduced availability of on-street parking and limited service access for low income customers and neighborhoods outside the service area. The existing and proposed City permitting systems achieve the benefits and address concerns to differing extents:

- Transportation Choices. About 40,000 car2go members are using the new transportation option. Adding 3 more companies will give consumers more choice, but it is unknown how many new people will become car-share members. Some car2go members may join more than one car-share system. The upper limit on demand for car-sharing also is not known.
- Personal Vehicles. In a survey conducted by car2go, about 3% to 4% (1,200 to 1,600) of members reported giving up a personal vehicle since joining, which would result in a net decrease of 700 to 1,100 vehicles on Seattle's streets. The potential further decrease in car ownership from the proposed 2,500 new permits cannot be estimated, in part because the number of individuals that will eventually join one or more car-share system is unknown.
- Vehicle Miles Traveled. In the car2go survey, about 63% of members reported no change in daily miles traveled in personal vehicles. If car2go miles are added to an unchanged number of personal vehicle miles, those members may be driving more miles than before they joined car2go. It is not known how much the availability of 2,500 potential additional car-share vehicles would reduce members' use of personal vehicles.
- Service Area. The car2go home service area increased in April 2013 to include most of West Seattle and a larger portion of South Seattle but still does not include the entire city. The proposed legislation requires citywide service within 2 years of a company's first permit and provides 250 more permits upon establishment of a citywide service area.
- Parking Availability. In 2013 car2go vehicles occupied about 7/10ths of one percent of the City's paid parking. That number is based on car2go's percentage of available City paid parking, which was calculated based on the number of paid parking spaces and the hours per year that payment is required for those spaces. However percentages were higher (but still less than 2%) in neighborhoods with the most car2go parking – Denny Triangle North, Pioneer Square and Capitol Hill North. If the percentages remain the same when all 500 existing and 2,500 new permits are issued, free-floating car-share vehicles would occupy over 4% of the City's paid parking citywide.

ISSUES

- 1) Number of companies and permits. Only three companies (car2go, Zipcar, and DriveNow) have expressed an interest in providing free-floating car-share service in Seattle. Given the City's relatively brief experience with free-floating car-share service, the companies authorized in the proposed legislation could be reduced to 3 and number of permits reduced accordingly. Because the legislation delegates future decisions about the number of companies and permits to the SDOT Director, the Director could increase the number when justified by company interest and further data.

- 2) Fees. The proposed ordinance maintains the current per-vehicle administrative and paid parking (after year-end true-up) fees but increases the Restricted Parking Zone (RPZ) fee from \$200 per year to \$700 per year. The increase is intended to fund the operating costs of the RPZ programs (including demand management actions to encourage use of alternative means of transportation) that would result from more car-share vehicles using RPZs. The proposed fee is less than if each vehicle were charged the residential rate for each of the 33 RPZs -- \$1,073 per year. But there is some judgment used to set cost of operational programs and the associated level of fees. To confirm the reasoning behind the fees, 2015 review of the RPZ program and fees (including residential, business and car-share fees) could provide a more detailed justification for the fees. The review also could request that options be identified for more clearly communicating which car-share vehicles can use dedicated on-street parking spaces.
- 3) Delegating authority to SDOT Director. The proposed legislation delegates authority for changing the number of companies and permits in 2016 and beyond to the SDOT Director. The Director will consider reductions in personal vehicle ownership, effects on customer access in neighborhood business districts, whether low-income customers are sufficiently served by the service, and other considerations that affect travel behavior and the public's use of the right-of-way. The Council could add criteria to guide the decision. For example, the Director's authority could begin in 2017 or 2018 to allow new companies and permits to phase in. Regardless, the delegation of authority could be reversed via future ordinance.